



BREAKTHROUGH PEPTIDE THERAPEUTICS

Phylogica enters transaction with UK biotech to identify and develop small molecule cancer drugs

- *Non-exclusive license granted to PhoreMost Limited for phenotypic screening of Phylomer libraries to discover and develop small molecule drugs*
- *Phylogica obtains 7.5% stake in PhoreMost*
- *Phylogica obtains rights to develop therapeutic Phylomer peptides discovered from PhoreMost screens*
- *Agreement has potential to feed Phylogica's peptide-based oncology pipeline and unlock significant value in Phylomer platform*

Perth, Australia 7th April 2015: Phylogica Limited (ASX: PYC) has entered into a licensing agreement with PhoreMost Limited, a private biotechnology company based in Cambridge UK.

Under the agreement, Phylogica grants to Phoremot a world-wide non-exclusive license to use certain Phylomer libraries solely for phenotypic screening to identify novel targets involved in diseases such as cancer, and then to identify and develop small molecule drugs against these targets.

The license includes certain preference conditions that cap the number of similar phenotypic deals Phylogica may enter into during an 18 month option period. Importantly, Phylogica will retain all commercial rights to exploit any Phylomer peptides identified in the screens for therapeutic purposes.

As consideration for the license Phylogica will obtain a 7.5% equity stake in PhoreMost together with non-exclusive rights to commercialise any functional Phylomer peptides and associated disease targets that are identified by PhoreMost for peptide therapeutics, along with an option to negotiate exclusive rights for such purpose.

"We are delighted the PhoreMost agreement formalises our long standing collaboration with Professor Venkitaraman's team at the University of Cambridge who are co-founders of Phoremot and who are world leaders in cutting-edge phenotypic screening approaches to identify novel disease targets involved in cancer," said Phylogica CEO, Dr Richard Hopkins.

“The team is complemented by PhoreMost CEO Dr Chris Torrance, who co-founded and commercialised Horizon Discovery, a pioneering phenotypic screening company, which recently floated on the London Stock Exchange and is currently valued at >£150 million.”

“This agreement provides Phylogica’s shareholders with an equity stake in an innovative company with its own proprietary small molecule-based oncology programs. It also has the potential to feed Phylogica’s oncology pipeline with novel cancer targets and peptides, accelerating our path to product development and adding significant value to the company.”

Dr Torrance commented, “We have been very aware of Phylogica’s unique technology asset and its vast potential to generate novel drug candidates for diseases previously considered undruggable. This agreement is an important part of our quest to find and develop superior small molecule therapies through specialised phenotypic screening approaches.”

Using novel ‘phenotypic’ screening technologies developed in collaboration with Professor Venkitaraman, Phylogica’s Phylomer libraries will be used to probe the landscape of intracellular disease targets to identify the best new approaches for next-generation cancer therapy. A pipeline of these validated drug targets, the majority of which will have been drugged for the very first time, will be developed in partnership with Phylogica and other pharmaceutical companies to bring a multiplicity of new treatment options into the clinic.

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About Phoremot

PhoreMost Ltd is a new bio-pharmaceutical company based in Cambridge UK, established to significantly increase the diversity and affordability of novel therapeutics for cancer and other difficult diseases. PhoreMost is managed by Dr Chris Torrance, founder of Horizon Discovery (LSE: HZD), a pioneering translational genomics company using advanced human genome editing techniques to create accurate and genetically-defined human disease models for accelerating targeted drug discovery. Horizon completed its IPO in March this year raising £37.8 million.

About Phylogica

Phylogica Limited (ASX: PYC) is a biotechnology company based in Perth, Australia with a world-class drug discovery platform harnessing the rich biodiversity of nature to discover novel peptide therapeutics from the most structurally diverse libraries available. The Company listed on the ASX in 2005 as a spin out from the Telethon Kids Institute (Perth, Australia) and the Fox Chase Cancer Centre (Philadelphia, USA). The Company’s drug discovery platform is based on its proprietary Phylomer[®] libraries containing over 400 billion unique natural peptides, which have been optimised by evolutionary selection to adopt stable drug-like structures. Phylogica offers fully integrated drug discovery services to the pharmaceutical industry utilising its Phylomer[®] libraries and proprietary screening technologies in exchange for license fees, milestones and royalties. Partners from discovery alliances within the last 5 years include Roche, MedImmune, Pfizer, Janssen, Cubist Pharmaceuticals and Genentech.

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About Phylomer® Peptides

Phylomer peptides are derived from biodiverse natural sequences, which have been selected by evolution to form stable structures that can bind tightly, and specifically to disease associated target proteins, both inside and outside cells. Suitable targets for blockade by Phylomers include protein interactions that promote multiple diseases, such as infectious diseases, cancer, autoimmunity and heart disease. Phylomer peptides can have drug-like properties including specificity, potency and thermal stability, and are capable of being produced by synthetic or recombinant manufacturing processes. Phylomer peptides are also readily formulated for administration by a number of means including parenteral or intranasal delivery approaches. Current Phylomer libraries comprise more than 400 billion distinct sequences derived from thousands of protein structure families encoded by biodiverse genomes, representing the most structurally diverse peptide libraries available. Phylomer peptides have also been demonstrated to have world-class cell penetrating ability, enabling them to deliver protein cargoes with unprecedented efficiency.

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